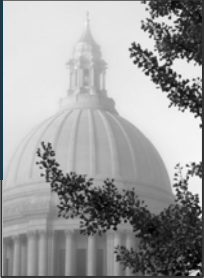# SmartBuying Partnership

**General Administration (GA)
Department of Information Services (DIS)
Department of Printing (PRT)
Office of Financial Management (OFM)
November 15, 2005**

Linda Villegas Bremer, Gary Robinson, Larry Weber, Victor Moore

Accomplishments to date

- **New contracts to be in place in December;**
    - **Office Equipment**
    - **Office Supplies**
    - **IT Professional Services**
    - **Fuel**
- **First print management success with the Department of Ecology**
    - Saves the department $250K within the biennium
    - Lays the ground work for the Department of Printing to bring other Agencies along (proof of concept)
- **Standardization and optimization of state computer hardware configurations**
    - Enables better leverage in the marketplace
    - Educates agencies on how to fully take advantage of the current contract
- **Savings are being realized. Our reporting will start the first quarter of calendar 2006.**
- **Proposed Agency savings targets have been submitted to OFM.**

Status of Targets

SmartBuying Partnership continues to work with Agencies to identify $50million in savings ($25m GF-S, $25m Other)

Additional Menu of Opportunities Identified to help Agencies Close Gap

July 28, 2005

Contract Source	Savings
GA	$37.90 million
DIS	$8.60 million
Printer	$.97 million
TBD	$2.53 million
Total	$50.00 million

Post Sourcing Team Review

Contract Source	Savings
GA	$25.70 million
DIS	$8.50 million
Printer	$1.10 million
Gap	$14.70 million
Total	$50.00 million

Savings Opportunity	Lead Agency	What is it?
Print Management	PRT	A program sponsored and facilitated by the State Printer where all print needs for a facility or agency are analyzed in order to develop a comprehensive print management plan. The result is that printed materials are produced at the optimum cost, required level of quality, and within expected service levels. The applicability of this program will vary from agency to agency; however, one agency who recently implemented this strategy will reduce its 05-07 costs by $250,000.
Professional Services Contracting	GA/OFM	Examination and analysis of $50 million in professional services spending to leverage additional opportunities.
Coordinate Spot Technology Purchases	DIS	A practice sponsored by DIS where technology requirements (PC's) are aggregated across agencies to create an optimum deal for all participants.
Payment using the State Purchasing Card	GA	A program and contract managed by the Office of State Procurement where agencies can receive approx. 1% of the purchase value in cash rebates. Some agencies are receiving over $100,000 per year in cash rebates
Supply Chain Management	GA	A service offered by OSP that reduces inventory, storage and warehouse costs. The state spends over $1 Million each year for storage units which are high cost compare to existing alternatives, increasing the turnover rates of inventories of approx. $80M can result in millions worth of cash.

See next slide

3

Savings Strategy	Lead Agency	What is it?
Print Management	PRT	A program sponsored and facilitated by the State Printer where all print needs for a facility or agency are analyzed in order to develop a comprehensive print management plan. The result is that printed materials are produced at the optimum cost, required level of quality, and within expected service levels. The applicability of this program will vary from agency to agency; however, the Department of Ecology, who recently implemented this strategy, will reduce its 05-07costs by $250,000.
Professional Services Contracting	GA/OFM	Examination and analysis of $50 million in professional services spending to leverage additional opportunities.
Coordinate Spot Technology Purchases	DIS	A practice sponsored by DIS where technology requirements (PC's) are aggregated across agencies to create an optimum deal for all participants.
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What's next

- **Complete new contracts, capture, and report created savings opportunity**
- **Implement contracts and SmartBuying strategies**
- **Implement measurement tool; Utilization and Savings Measurement (USM)**
- **Continue to work with Agencies on additional savings opportunities**
- **Measure and report results**

SmartBuying Partnership

Backup Materials

November 15, 2005

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Status of SmartBuying Solutions

Contracts	Central Agency	'05-'07 Agency Savings Potential	Status
IT Hardware and Software	DIS	$ 8,500,000	In place
Reduce color copy prices in copy centers	Printer	$ 330,000	In place
Reduce standard envelope prices	Printer	$ 532,000	In place
Create first Print Management contract; ECY complete	Printer	$ 250,000	In place
Vehicles	GA	$ 200,000	In place
Rental cars	GA	$ 800,000	In place
Gloves	GA	$ 300,000	In place
Fasteners	GA	$ 200,000	In place
Kosher Foods	GA	$ 250,000	In place
Lamp & Ballast	GA	$ 100,000	In place
Other GA Contracts	GA	$ 200,000	In place
Office Equipment	GA	$3,000,000	Available December
Office Supplies	GA	$7,800,000	Available December
Office Leases	GA	$1,000,000	In process
IT Professional Services	GA	$10,200,000	Available December
Fuel	GA	$1,100,000	Available December
Legal Data Services	GA	$70,000	In process
Total Savings Potential to Date		**$35,000,000**	

Category Utilization & Savings Measurement Summary
SmartBuying Partnership

Category Spending & Savings Tracking Summary: Office Supplies
Reporting Period: Jan 1, 2006 – Mar 30, 2006
Cumulative Period: Jan 1, 2006 – To Date
Biennium Savings Start Date – Jan 1, 2006

	SPENDING			SAVINGS		
	Reporting Period – Expected	Reporting Period – Actual	Cumulative Biennium – Actual	Reporting Period - Expected	Reporting Period – Actual	Cumulative FY06 – FY07 Actual
Agencies	$2,969,977	$2,150,137	$2,150,137	$668,245	$650,391	$650,391
Higher Education	$2,853,440	$2,117,463	$2,117,463	$642,024	$646,182	$646,182
Total	**$5,823,417**	**$4,267,600**	**$4,267,600**	**$1,310,269**	**$1,296,573**	**$1,296,573**

Potential versus Actual Savings (millions of dollars)
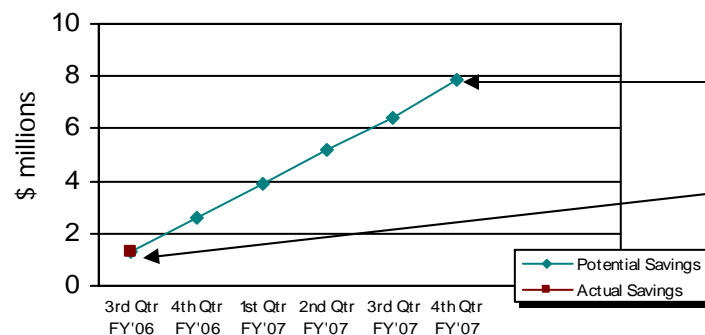
$23,293,669	**Statewide baseline spending (annual)**
$7,861,613	**Potential savings for biennium**
$1,296,573	**Actual savings to date Cumulative FY06 – Actual (above)**
$1,291,687	**Potential savings to date**
+$4,886	**Difference from plan**

Category Utilization & Savings Measurement Detail
SmartBuying Partnership

Category Spending & Savings Tracking Summary: Office Supplies
Reporting Period: Jan 1, 2006 – Mar 30, 2006
Cumulative Period: Jan 1, 2006 – To Date
Biennium Savings Start Date – Jan 1, 2006

Agency	SPENDING			SAVINGS		
	Reporting Period – Expected	Reporting Period – Actual	Cumulative Biennium – Actual	Reporting Period - Expected	Reporting Period – Actual	Cumulative FY06 - Actual
3600 University of Washington (UW)	$1,006,649	$840,656	$840,656	$226,496	$228,761	$228,761
3520 State Board for Community and Technical Colleges (SBCTC)	$818,858	$675,444	$675,444	$184,243	$186,085	$186,085
3000 Department of Social and Health Services (DSHS)	$730,858	$497,546	$497,546	$164,443	$159,510	$159,510
3650 Washington State University (WSU)	$599,773	$289,000	$289,000	$134,949	$136,298	$136,298
3100 Department of Corrections (DOC)	$475,472	$339,850	$339,850	$106,981	$103,772	$103,772
4050 Department of Transportation (DOT)	$291,226	$198,756	$198,756	$65,526	$63,560	$63,560
2350 Department of Labor and Industries (L&I)	$215,955	$180,795	$180,795	$48,590	$47,132	$47,132
3800 Western Washington University (WWU)	$162,201	$100,255	$100,255	$36,495	$36,860	$36,860
1550 Department of Information Services (DIS)	$150,004	$98,963	$98,963	$33,751	$32,738	$32,738
3700 Eastern Washington University (EWU)	$113,017	$99,441	$99,441	$25,429	$25,683	$25,683
1900 Board of Industrial Insurance Appeals (IND)	$2,173	$1,478	$1,478	$489	$474	$474
0750 Office of the Governor (GOV)	$2,101	$1,429	$1,429	$473	$458	$458
0900 Treasurer, Office of the State (OST)	$1,850	$1,258	$1,258	$416	$404	$404
0450 Supreme Court (SUP)	$945	$643	$643	$213	$206	$206
0400 Statute Law Committee (SLC)	$456	$310	$310	$103	$100	$100
Small Agency (all others)	$43,941	$29,880	$29,880	$10,143	$9,839	$9,839
Total	$5,823,417	$4,267,600	$4,267,600	$1,310,269	$1,296,573	$1,296,573

Top Ten

Bottom Five

Breakout shows top 10 and bottom 5 agencies comprising the SmartBuying Savings Category…Data available for all 104 Agencies comprising this category example

Factor	Actions
Deployment of SmartBuying Strategies	• Complete contract awards • Provide continuous education to Agencies • Help Agencies select savings strategies
Agency participation	• Use new contracts and SmartBuying strategies • Suggest additional opportunities/strategies • Work with GA, DIS, PRT, and OFM to optimize savings
Change of Culture	• Continue SmartBuying training • Continue open communications • Continued support from Executive Leaders (Agencies)
Vendor partnerships	• Rapid deployment of new contracts • Vendor recommended improvement to lower cost and improve efficiency
Measure and report results	• Actual savings achieved • GMAP